

# Supreme Court of the United States

OCTOBER TERM, 1968

No. 675

UNITED STATES OF AMERICA,

*Appellant,*

—v.—

JAMES D. KNOX

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF TEXAS

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## CHRONOLOGY OF PLEADINGS

October 3, 1967	Indictment returned.
June 27, 1968	Defenses and Objections Raised to the Indictment by Defendant James D. Knox filed.
July 11, 1968	Government's Response to Defenses and Objections To the Indictment by Defendant James D. Knox filed.
July 24, 1968	Memorandum and Order of the District Court.
August 21, 1968	Notice of Appeal to the Supreme Court of the United States filed in district court.
October 22, 1968	Jurisdictional Statement filed.
April 21, 1969	Probable Jurisdiction noted.

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

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Criminal No. 67-80-A  
(Vio. 18 USC 1001, 26 USC 7203)

UNITED STATES OF AMERICA

v.

JAMES D. KNOX, GEORGE MARTIN, KEITH J. NICHOLS,  
BUFORD H. FOSTER, CURTIS D. BRIDGES, CARL B. MOHR

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THE GRAND JURY CHARGES:

That during the fiscal period beginning on or about July 1, 1964, and ending June 30, 1965, JAMES D. KNOX, who was a resident of the City of Pasadena, State of Texas, did engage in the business of accepting wagers on sporting events as defined in Section 4421(1) of the Internal Revenue Code; that prior to engaging in said business he was required by Sections 4412(a), 4412(b), and 6011 (a) of the Internal Revenue Code and the applicable regulations to make a return by registering with the District Director of Internal Revenue for the Internal Revenue District of Austin, at Austin, Texas, within the Austin Division of the Western District of Texas, by filing a Special Tax Return and Application for Registry—Wagering, Form 11-C; that prior to engaging in said business he did knowingly and wilfully fail to make such return in that he failed to register with and make Special Tax Return and Application for Registry—Wagering, Form 11-C, to said District Director of Internal Revenue or to any other proper officer of the United States.

In violation of Section 7203, Internal Revenue Code; Title 26, United States Code, Section 7203.

## COUNT TWO

That during the fiscal period beginning on or about July 1, 1964, and ending June 30, 1965, JAMES D. KNOX, who was a resident of the City of Pasadena, State of Texas, did engage in the business of accepting wagers on sporting events as defined by Section 4421(1) of the Internal Revenue Code; that prior to engaging in said business he was required by Section 4901 of the Internal Revenue Code to pay to the District Director of Internal Revenue for the Internal Revenue District of Austin, at Austin, Texas, within the Austin Division of the Western District of Texas, the special occupational tax imposed by Section 4411 of the Internal Revenue Code; that prior to engaging in said business he did knowingly and wilfully fail to pay said special occupational tax to said District Director of Internal Revenue or to any other proper officer of the United States.

In violation of Section 7203, Internal Revenue Code; Title 26, United States Code, Section 7203.

## COUNT THREE

That during the fiscal period beginning on or about July 1, 1965, and continuing until on or about October 13, 1965, JAMES D. KNOX, who was a resident of the City of Pasadena, State of Texas, did engage in the business of accepting wagers on sporting events as defined in Section 4421(1) of the Internal Revenue Code; that prior to engaging in said business he was required by Sections 4412(a), 4412(b), and 6011(a) of the Internal Revenue Code and the applicable regulations to make a return by registering with the District Director of Internal Revenue for the Internal Revenue District of Austin, at Austin, Texas, within the Austin Division of the Western District of Texas, by filing a Special Tax Return and Application for Registry—Wagering, Form 11-C; that prior to engaging in said business he did knowingly and wilfully fail to make such return in that he failed to register with and make said Special Tax Return and Application for Registry—Wagering, Form 11-C, to said District Director of Internal Revenue or to any other proper officer of the United States.

In violation of Section 7203, Internal Revenue Code; Title 26, United States Code, Section 7203.

#### COUNT FOUR

That during the fiscal period beginning on or about July 1, 1965, and continuing until on or about October 13, 1965, JAMES D. KNOX, who was a resident of the City of Pasadena, State of Texas, did engage in the business of accepting wagers on sporting events as defined by Section 4421(1) of the Internal Revenue Code; that prior to engaging in said business he was required by Section 4901 of the Internal Revenue Code to pay to the District Director of Internal Revenue for the Internal Revenue District of Austin, at Austin, Texas, within the Austin Division of the Western District of Texas, the special occupational tax imposed by Section 4411 of the Internal Revenue Code; that prior to engaging in said business he did knowingly and wilfully fail to pay said special occupational tax to said District Director of Internal Revenue or to any other proper officer of the United States.

In violation of Section 7203, Internal Revenue Code; Title 26, United States Code, Section 7203.

#### COUNT FIVE

That on or about October 14, 1965, JAMES D. KNOX did wilfully and knowingly make and cause to be made a false and fraudulent statement and representation of a material fact in a matter within the jurisdiction of the Internal Revenue Service of the United States Treasury Department, an agency of the United States of America, in that on an Internal Revenue Service Form 11-C, Special Tax Return and Application for Registry—Wagering, which was subscribed under the penalties of perjury and filed with the District Director of Internal Revenue for the Internal Revenue District of Austin, Austin, Texas, within the Western District of Texas, the defendant JAMES D. KNOX did state that "I declare under the penalties of perjury that this return and/or application (including any accompanying statements or lists) has been examined by me and to the best of my knowledge

and belief is true, correct, and complete.”; whereas in truth and in fact, as the said JAMES D. KNOX then knew, all of the statements contained in said Internal Revenue Service Form 11-C, Special Tax Return and Application for Registry—Wagering, were not true, correct, and complete, in that the number of employees and/or agents engaged in receiving wagers in his behalf were misrepresented and understated, in that the number, name, special stamp number, street address, and city and state of employees and/or agents engaged in receiving wagers in the said JAMES D. KNOX’s behalf had been omitted from said Internal Revenue Service Form 11-C, Special Tax Return and Application for Registry—Wagering; in violation of Title 18, United States Code, Section 1001.

#### COUNT SIX

That on or about October 15, 1965, JAMES D. KNOX did wilfully and knowingly make and cause to be made a false and fraudulent statement and representation of a material fact in a matter within the jurisdiction of the Internal Revenue Service of the United States Treasury Department, an agency of the United States of America, in that an Internal Revenue Service Form 11-C, identified as a Supplemental Special Tax Return and Application for Registry—Wagering, which was subscribed under the penalties of perjury and filed with the District Director of Internal Revenue for the Internal Revenue District of Austin, Austin, Texas, within the Western District of Texas, the defendant JAMES D. KNOX did state that “I declare under the penalties of perjury that this return and/or application (including any accompanying statements or lists) has been examined by me and to the best of my knowledge and belief is true, correct, and complete.”; whereas in truth and in fact as the said JAMES D. KNOX then knew, all the statements contained in said Internal Revenue Service Form 11-C, identified as a Supplemental Special Tax Return and Application for Registry—Wagering, were not true, correct, and complete, in that the number of employees and/or agents engaged in receiving wagers in his behalf were misrepresented and

understated in that the number, name, special stamp number, street address, and city and state of employees and/or agents engaged in receiving wagers in the said JAMES D. KNOX's behalf had been omitted from said Internal Revenue Service Form 11-C, identified as a Supplemental Special Tax Return and Application for Registry—Wagering; in violation of Title 18, United States Code, Section 1001.

\* \* \* \*

[Title Omitted in Printing]

# DEFENSES AND OBJECTIONS RAISED TO THE INDICTMENT BY DEFENDANT JAMES D. KNOX

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW JAMES D. KNOX, Defendant in the above styled and numbered cause, and pursuant to the provisions of *Criminal Rule 12 (b)*, timely raises the following defenses and objections to the indictment, challenging the counts in which he is charged:

\* \* \* \*

## IV.

Each of the counts is predicated upon a statute invalid, void and unconstitutional under the Constitution of the United States and the Amendments thereto, particularly the Fifth Amendment to the Constitution of the United States, for the reason, among others, that the statute 26 U.S.C.A. 4412 and 6011, including the regulations issued pursuant thereto, require the Defendant to give information that would incriminate him or tend to incriminate him, under the penal laws of the United States and of the State of Texas.

Either the making of the Special Tax Return Application for Registry—Wagering, Form 11-C or the purchase of the Special Tax Stamp required by the Statutes and aforementioned regulations pursuant thereto would cause and require the Defendant to give information that would



incriminate him or tend to incriminate him under the penal laws of the United States and the State of Texas, contrary to the immunities guaranteed by the Constitution of the United States, the Amendments thereto, particularly the Fifth Amendment.

For this reason the foregoing statutes, and the related penal statute, 26 U.S.C.A. 7203, are unconstitutional.

To impose penal sanctions under the provisions of 26 U.S.C.A. 7203 for a failure to give information that would incriminate, or tend to incriminate, the defendant under the penal laws of the United States and of the State of Texas, would be to punish a citizen criminally because of his claim of immunities guaranteed to him by the Constitution of the United States, the Amendments thereto, and particularly the Fifth Amendment.

\* \* \* \*

[Title Omitted in Printing]

BRIEF IN SUPPORT OF GOVERNMENT'S RESPONSE  
TO DEFENDANT'S DEFENSES AND OBJECTIONS  
TO THE INDICTMENT BY DEFENDANT JAMES  
D. KNOX

Comes now the United States of America, by and through its representative, and would represent to the Court that with respect to Defendant JAMES D. KNOX, the government intends to pursue only the charges contained in Counts Five and Six of the indictment, and would respectfully submit that the defendant's defenses and objections to Counts Five and Six of the indictment should be overruled for the reasons stated herein.

\* \* \* \*

IV.

The objections contained in paragraph IV of defendant's *Defenses and Objections* are largely irrelevant to Counts Five and Six of the indictment.

\* \* \* \*

[Title Omitted in Printing]

### MEMORANDUM AND ORDER

Came on this day for consideration by this Court, the motion of the defendant, JAMES D. KNOX, in the above styled and numbered cause, applying to this Court for a dismissal of the indictment, which the parties agreed to have decided without oral argument.

The Court grants the dismissal on the authority of *Marchetti v. United States*, 390 U.S. 40 (1968) and *Grosso v. United States*, 390 U.S. 63 (1968).

The indictment alleges that the Defendant violated Title 18, United States Code, Section 1001 (1964) by wilfully and knowingly making a false statement on Internal Revenue Form 11-C, Special Tax Return and Application for Registry—Wagering.

In general, the *Marchetti* and *Grosso* cases held that the privilege against self-incrimination bars prosecution under the federal wagering tax statutes. This case is controlled specifically by *Grosse* [sic], which held that the petitioner there could not be convicted of conspiracy to evade payment of the excise tax on wagering "if the constitutional privilege would properly prevent his conviction for wilful failure to pay it." *Id.* at 70. Similarly, the indictment in this case is based on the defendant's alleged failure to answer the wagering form correctly, and the constitutional privilege against self-incrimination would have prevented prosecution for failure to answer the form in any respect.

It is therefore ORDERED, ADJUDGED and DECREED that the motion be, and is hereby, granted.

Signed at Austin, Texas, this 24th day of July, 1968.

/s/ Jack Roberts  
JACK ROBERTS  
United States District Judge

[Title Omitted in Printing]

NOTICE OF APPEAL TO THE SUPREME  
COURT OF THE UNITED STATES

Notice is hereby given that the United States appeals to the Supreme Court of the United States from the order entered in the above entitled case on July 24, 1968, dismissing the indictment against defendant JAMES D. KNOX charging violation of 18 USC 1001.

This appeal is taken pursuant to 18 USC 3731.

Respectfully submitted,

ERNEST MORGAN  
United States Attorney

By /s/ Jeremiah Handy  
JEREMIAH HANDY  
Assistant U. S. Attorney

[Certificate of Service Omitted in Printing]

SUPREME COURT OF THE UNITED STATES

No. 675, October Term, 1968

UNITED STATES, APPELLANT

v.

JAMES D. KNOX

APPEAL from the United States District Court for the Western District of Texas.

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted and the case is placed on the summary calendar and set for oral argument immediately following No. 934.

April 21, 1969

10 470003

FORM 11-C  
Rev. July 1943U.S. Treasury Department—Internal Revenue Service  
**SPECIAL TAX RETURN AND APPLICATION FOR REGISTRY—WAGERING**

(See instructions on reverse for time and place for filing return.)

Return for period from 10-14-1965 to June 30, 1965  
(Month, day, and year)Check one: ☒ First return and application ☐ Renewal return and application ☐ Supplemental return and application

For District Director's Use Only

1. Name: True name James O'Hara  
Alias, style, or trade name, if any none

(Stamp number)

(Date issued)

74-6553-P  
(Registration number)2. Address: Residence 2506 Martha Lane  
(Number and street)  
Pasadena Harris Texas  
(City) (County) (State)Tax \$ 37.50

Penalty \$

Interest \$

Total \$ 37.50Business 4618 Red Buff Rd  
(Number and street)  
Pasadena Harris Texas  
(City) (County) (State)

3. If this is a supplemental application, please explain and give your Special Tax Stamp No. and Registration No. (see instruction 2)

Make remittance payable to Internal Revenue Service. Payment may be made by cash, check or money order.

(If additional space is required for items 4, 5 (a), 5 (b), or 6, attach additional sheets, identifying each entry as to item number.)

4. If taxpayer is a firm, partnership, or corporation, give true name of members or officers.

True name

OCT 14 1965

Home address

none74-6553-P  
AUSTIN  
HOUSTON OFFICE5. Are you or will you be engaged in the business of accepting wagers on your own account? ☒ Yes ☐ No  
(Check one)

If yes, complete (a), (b), and (c) of this item.

(a) Name and address where each such business is or will be conducted.

Name of location

Street address

City and State

2506 Martha Lane 2506 Martha Lane Pasadena Texas  
K+N Sports on 4618 Red Buff Rd Pasadena Texas

(b) Number of employees and/or agents engaged in receiving wagers on your behalf

(c) True name, current address, and special tax stamp number of each such person.

True name

Special stamp No. in present use

Street address

City and State

none6. Do you receive or will you be receiving wagers on behalf of or as agent for some other person or persons? ☐ Yes ☒ No  
(Check one)

If yes, give true name and address of each such person.

True name

Street address

City and State

none

## SIGNATURE AND VERIFICATION

I declare under the penalties of perjury that this return and/or application (including any accompanying statements or lists) has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

10-14 1965 James O'Hara  
(Date) (Signature)

State whether individual owner, member of firm, or if corporation officer, give title

FORM 11-C  
Rev. July 1963U.S. Treasury Department—Internal Revenue Service  
**SPECIAL TAX RETURN AND APPLICATION FOR REGISTRY—WAGERS**  
(See instructions on reverse for time and place for filing return)Return for period from 10-15-65

(Month, day, and year)

to June 30, 1966Check one: ☐ First return and application ☐ Renewal return and application ☒ Supplemental return and application1. Name: True name James StewartAlias, style, or trade  
name, if any

For District Director's Use Only

9741  
(Stamp number)2. Address: Residence 2506 Mantle Lane

(Number and street)

PasadenaHarrisTexasBusiness 4916 Red Bull Rd

(Number and street)

PasadenaHarrisTexas

(Date issued)

74-6553-2  
(Registration number)Tax \$  
Penalty \$  
Interest \$  
Total \$

3. If this is a supplemental application, please explain and give your Special Tax Stamp No. and Registration No. (see instruction 2)

Make remittance payable to the Internal Revenue Service. Payment may be made by cash, check or money order.

To best name & address of agent's  
Stamp not to issued yet

(If additional space is required for items 4, 5 (a), 5 (b), 5 (c), 5 (d), 5 (e), 5 (f), 5 (g), 5 (h), 5 (i), 5 (j), 5 (k), 5 (l), 5 (m), 5 (n), 5 (o), 5 (p), 5 (q), 5 (r), 5 (s), 5 (t), 5 (u), 5 (v), 5 (w), 5 (x), 5 (y), 5 (z), 5 (aa), 5 (ab), 5 (ac), 5 (ad), 5 (ae), 5 (af), 5 (ag), 5 (ah), 5 (ai), 5 (aj), 5 (ak), 5 (al), 5 (am), 5 (an), 5 (ao), 5 (ap), 5 (aq), 5 (ar), 5 (as), 5 (at), 5 (au), 5 (av), 5 (aw), 5 (ax), 5 (ay), 5 (az), 5 (ba), 5 (bb), 5 (bc), 5 (bd), 5 (be), 5 (bf), 5 (bg), 5 (bh), 5 (bi), 5 (bj), 5 (bk), 5 (bl), 5 (bm), 5 (bn), 5 (bo), 5 (bp), 5 (bq), 5 (br), 5 (bs), 5 (bt), 5 (bu), 5 (bv), 5 (bw), 5 (bx), 5 (by), 5 (bz), 5 (ca), 5 (cb), 5 (cc), 5 (cd), 5 (ce), 5 (cf), 5 (cg), 5 (ch), 5 (ci), 5 (cj), 5 (ck), 5 (cl), 5 (cm), 5 (cn), 5 (co), 5 (cp), 5 (cq), 5 (cr), 5 (cs), 5 (ct), 5 (cu), 5 (cv), 5 (cw), 5 (cx), 5 (cy), 5 (cz), 5 (da), 5 (db), 5 (dc), 5 (dd), 5 (de), 5 (df), 5 (dg), 5 (dh), 5 (di), 5 (dj), 5 (dk), 5 (dl), 5 (dm), 5 (dn), 5 (do), 5 (dp), 5 (dq), 5 (dr), 5 (ds), 5 (dt), 5 (du), 5 (dv), 5 (dw), 5 (dx), 5 (dy), 5 (dz), 5 (ea), 5 (eb), 5 (ec), 5 (ed), 5 (ee), 5 (ef), 5 (eg), 5 (eh), 5 (ei), 5 (ej), 5 (ek), 5 (el), 5 (em), 5 (en), 5 (eo), 5 (ep), 5 (eq), 5 (er), 5 (es), 5 (et), 5 (eu), 5 (ev), 5 (ew), 5 (ex), 5 (ey), 5 (ez), 5 (fa), 5 (fb), 5 (fc), 5 (fd), 5 (fe), 5 (ff), 5 (fg), 5 (fh), 5 (fi), 5 (fj), 5 (fk), 5 (fl), 5 (fm), 5 (fn), 5 (fo), 5 (fp), 5 (fq), 5 (fr), 5 (fs), 5 (ft), 5 (fu), 5 (fv), 5 (fw), 5 (fx), 5 (fy), 5 (fz), 5 (ga), 5 (gb), 5 (gc), 5 (gd), 5 (ge), 5 (gf), 5 (gg), 5 (gh), 5 (gi), 5 (gj), 5 (gk), 5 (gl), 5 (gm), 5 (gn), 5 (go), 5 (gp), 5 (gq), 5 (gr), 5 (gs), 5 (gt), 5 (gu), 5 (gv), 5 (gw), 5 (gx), 5 (gy), 5 (gz), 5 (ha), 5 (hb), 5 (hc), 5 (hd), 5 (he), 5 (hf), 5 (hg), 5 (hi), 5 (hj), 5 (hk), 5 (hl), 5 (hm), 5 (hn), 5 (ho), 5 (hp), 5 (hq), 5 (hr), 5 (hs), 5 (ht), 5 (hu), 5 (hv), 5 (hw), 5 (hx), 5 (hy), 5 (hz), 5 (ia), 5 (ib), 5 (ic), 5 (id), 5 (ie), 5 (if), 5 (ig), 5 (ih), 5 (ii), 5 (ij), 5 (ik), 5 (il), 5 (im), 5 (in), 5 (io), 5 (ip), 5 (iq), 5 (ir), 5 (is), 5 (it), 5 (iu), 5 (iv), 5 (iw), 5 (ix), 5 (iy), 5 (iz), 5 (ja), 5 (jb), 5 (jc), 5 (jd), 5 (je), 5 (jf), 5 (jg), 5 (jh), 5 (ji), 5 (jj), 5 (jk), 5 (jl), 5 (jm), 5 (jn), 5 (jo), 5 (jp), 5 (jq), 5 (jr), 5 (js), 5 (jt), 5 (ju), 5 (jv), 5 (jw), 5 (jx), 5 (jy), 5 (jz), 5 (ka), 5 (kb), 5 (kc), 5 (kd), 5 (ke), 5 (kf), 5 (kg), 5 (kh), 5 (ki), 5 (kj), 5 (kk), 5 (kl), 5 (km), 5 (kn), 5 (ko), 5 (kp), 5 (kq), 5 (kr), 5 (ks), 5 (kt), 5 (ku), 5 (kv), 5 (kw), 5 (kx), 5 (ky), 5 (kz), 5 (la), 5 (lb), 5 (lc), 5 (ld), 5 (le), 5 (lf), 5 (lg), 5 (lh), 5 (li), 5 (lj), 5 (lk), 5 (ll), 5 (lm), 5 (ln), 5 (lo), 5 (lp), 5 (lq), 5 (lr), 5 (ls), 5 (lt), 5 (lu), 5 (lv), 5 (lw), 5 (lx), 5 (ly), 5 (lz), 5 (ma), 5 (mb), 5 (mc), 5 (md), 5 (me), 5 (mf), 5 (mg), 5 (mh), 5 (mi), 5 (mj), 5 (mk), 5 (ml), 5 (mm), 5 (mn), 5 (mo), 5 (mp), 5 (mq), 5 (mr), 5 (ms), 5 (mt), 5 (mu), 5 (mv), 5 (mw), 5 (mx), 5 (my), 5 (mz), 5 (na), 5 (nb), 5 (nc), 5 (nd), 5 (ne), 5 (nf), 5 (ng), 5 (nh), 5 (ni), 5 (nj), 5 (nk), 5 (nl), 5 (nm), 5 (nn), 5 (no), 5 (np), 5 (nq), 5 (nr), 5 (ns), 5 (nt), 5 (nu), 5 (nv), 5 (nw), 5 (nx), 5 (ny), 5 (nz), 5 (oa), 5 (ob), 5 (oc), 5 (od), 5 (oe), 5 (of), 5 (og), 5 (oh), 5 (oi), 5 (oj), 5 (ok), 5 (ol), 5 (om), 5 (on), 5 (oo), 5 (op), 5 (oq), 5 (or), 5 (os), 5 (ot), 5 (ou), 5 (ov), 5 (ow), 5 (ox), 5 (oy), 5 (oz), 5 (pa), 5 (pb), 5 (pc), 5 (pd), 5 (pe), 5 (pf), 5 (pg), 5 (ph), 5 (pi), 5 (pj), 5 (pk), 5 (pl), 5 (pm), 5 (pn), 5 (po), 5 (pp), 5 (pq), 5 (pr), 5 (ps), 5 (pt), 5 (pu), 5 (pv), 5 (pw), 5 (px), 5 (py), 5 (pz), 5 (qa), 5 (qb), 5 (qc), 5 (qd), 5 (qe), 5 (qf), 5 (qg), 5 (qh), 5 (qi), 5 (qj), 5 (qk), 5 (ql), 5 (qm), 5 (qn), 5 (qo), 5 (qp), 5 (qq), 5 (qr), 5 (qs), 5 (qt), 5 (qu), 5 (qv), 5 (qw), 5 (qx), 5 (qy), 5 (qz), 5 (ra), 5 (rb), 5 (rc), 5 (rd), 5 (re), 5 (rf), 5 (rg), 5 (rh), 5 (ri), 5 (rj), 5 (rk), 5 (rl), 5 (rm), 5 (rn), 5 (ro), 5 (rp), 5 (rq), 5 (rr), 5 (rs), 5 (rt), 5 (ru), 5 (rv), 5 (rw), 5 (rx), 5 (ry), 5 (rz), 5 (sa), 5 (sb), 5 (sc), 5 (sd), 5 (se), 5 (sf), 5 (sg), 5 (sh), 5 (si), 5 (sj), 5 (sk), 5 (sl), 5 (sm), 5 (sn), 5 (so), 5 (sp), 5 (sq), 5 (sr), 5 (ss), 5 (st), 5 (su), 5 (sv), 5 (sw), 5 (sx), 5 (sy), 5 (sz), 5 (ta), 5 (tb), 5 (tc), 5 (td), 5 (te), 5 (tf), 5 (tg), 5 (th), 5 (ti), 5 (tj), 5 (tk), 5 (tl), 5 (tm), 5 (tn), 5 (to), 5 (tp), 5 (tq), 5 (tr), 5 (ts), 5 (tt), 5 (tu), 5 (tv), 5 (tw), 5 (tx), 5 (ty), 5 (tz), 5 (ua), 5 (ub), 5 (uc), 5 (ud), 5 (ue), 5 (uf), 5 (ug), 5 (uh), 5 (ui), 5 (uj), 5 (uk), 5 (ul), 5 (um), 5 (un), 5 (uo), 5 (up), 5 (uq), 5 (ur), 5 (us), 5 (ut), 5 (uu), 5 (uv), 5 (uw), 5 (ux), 5 (uy), 5 (uz), 5 (va), 5 (vb), 5 (vc), 5 (vd), 5 (ve), 5 (vf), 5 (vg), 5 (vh), 5 (vi), 5 (vj), 5 (vk), 5 (vl), 5 (vm), 5 (vn), 5 (vo), 5 (vp), 5 (vq), 5 (vr), 5 (vs), 5 (vt), 5 (vu), 5 (vv), 5 (vw), 5 (vx), 5 (vy), 5 (vz), 5 (wa), 5 (wb), 5 (wc), 5 (wd), 5 (we), 5 (wf), 5 (wg), 5 (wh), 5 (wi), 5 (wj), 5 (wk), 5 (wl), 5 (wm), 5 (wn), 5 (wo), 5 (wp), 5 (wq), 5 (wr), 5 (ws), 5 (wt), 5 (wu), 5 (wv), 5 (ww), 5 (wx), 5 (wy), 5 (wz), 5 (xa), 5 (xb), 5 (xc), 5 (xd), 5 (xe), 5 (xf), 5 (xg), 5 (xh), 5 (xi), 5 (xj), 5 (xk), 5 (xl), 5 (xm), 5 (xn), 5 (xo), 5 (xp), 5 (xq), 5 (xr), 5 (xs), 5 (xt), 5 (xu), 5 (xv), 5 (xw), 5 (xx), 5 (xy), 5 (xz), 5 (ya), 5 (yb), 5 (yc), 5 (yd), 5 (ye), 5 (yf), 5 (yg), 5 (yh), 5 (yi), 5 (yj), 5 (yk), 5 (yl), 5 (ym), 5 (yn), 5 (yo), 5 (yp), 5 (yq), 5 (yr), 5 (ys), 5 (yt), 5 (yu), 5 (yv), 5 (yw), 5 (yx), 5 (yy), 5 (yz), 5 (za), 5 (zb), 5 (zc), 5 (zd), 5 (ze), 5 (zf), 5 (zg), 5 (zh), 5 (zi), 5 (zj), 5 (zk), 5 (zl), 5 (zm), 5 (zn), 5 (zo), 5 (zp), 5 (zq), 5 (zr), 5 (zs), 5 (zt), 5 (zu), 5 (zv), 5 (zw), 5 (zx), 5 (zy), 5 (zz))

4. If taxpayer is a firm, partnership, or corporation, give true name of members or officers.

True name

OCT 15 1965

Home address

76 DER. INT. REV.  
AUSTIN  
HOUSTON OFFICE

5. Are you or will you be engaged in the business of accepting wagers on your own account?

☒ Yes ☐ No  
(Check one)

If yes, complete (a), (b), and (c) of this item.

(a) Name and address where each such business is or will be conducted.

# K & R Dish in 4618 Red Bull Rd Pasadena Tex  
2506 Mantle Lane Pasadena Texas(b) Number of employees and/or agents engaged in receiving wagers on your behalf 3

(c) True name, current address, and special tax stamp number of each such person.

True name	Special stamp No. in present use	Street address	City and State
<u>B. H. Foster</u>	<input checked="" type="checkbox"/>	<u>901 Glog</u>	<u>Pasadena Texas</u>
<u>C. D. Foster</u>	<input checked="" type="checkbox"/>	<u>919 Hester</u>	<u>Pasadena Texas</u>
<u>Keith Jackson Nichols</u>	<input checked="" type="checkbox"/>	<u>304 Wandell</u>	<u>Pasadena Texas</u>

6. Do you receive or will you be receiving wagers on behalf of or as agent for some other person or persons?

☐ Yes ☒ No  
(Check one)

If yes, give true name and address of each such person.

True name

Street address

City and State

## SIGNATURE AND VERIFICATION

I declare under the penalties of perjury that this return and/or application (including any accompanying statements or lists) has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

10-15-65, 1965  
(Date)James Stewart  
(Signature)Quarant  
(Date whether individual owner, member of firm, or if corporation officer, give title)

FORM 11-C  
Rev. July 1963

U.S. Treasury Department—Internal Revenue Service  
**SPECIAL TAX RETURN AND APPLICATION FOR REGISTRY—WAGERING**  
(See instructions on reverse for time and place for filing return)

Return for period from .....

(Month, day, and year)

to June 30, 19.....

Check one: ☐ First return and application

☐ Renewal return and application

☐ Supplemental return and application

For District Director's Use Only

1. Name: True name .....

Alias, style, or trade  
name, if any .....

2. Address: Residence .....

(Number and street)

(City)

(County)

(State)

Business .....

(Number and street)

(City)

(County)

(State)

3. If this is a supplemental application, please explain and give your Special Tax Stamp No.  
and Registration No. (see instruction 2) .....

Make remittance payable to the Internal Revenue Service. Payment may be made by cash,  
check or money order.

(Date issued)

(Stamp number)

(Registration number)

Tax \$.....

Penalty \$.....

Interest \$.....

Total \$.....

(If additional space is required for items 4, 5 (a), 5 (b), 5 (c), or 6, attach additional sheets, identifying each entry as to item number.)

4. If taxpayer is a firm, partnership, or corporation, give true name of members or officers.

True name .....

Title .....

Home address .....

5. Are you or will you be engaged in the business of accepting wagers on your own account? ☐ Yes ☐ No  
If yes, complete (a), (b), and (c) of this item.

(a) Name and address where each such business is or will be conducted.

Name of location .....

Street address .....

City and State .....

(b) Number of employees and/or agents engaged in receiving wagers on your behalf .....

(c) True name, current address, and special tax stamp number of each such person.

True name .....

Special stamp No. in present use .....

Street address .....

City and State .....

6. Do you receive or will you be receiving wagers on behalf of or as agent for some other person or persons? ☐ Yes ☐ No  
If yes, give true name and address of each such person.

True name .....

Street address .....

City and State .....

**SIGNATURE AND VERIFICATION**

Signature of taxpayer or agent .....

Not to be filled in by taxpayer or agent

5-3-A

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For use by District Director

For use by District Director



## INSTRUCTIONS

**1. Who Must File.**—Every person who is liable for the 10-percent excise tax imposed by section 4401 of the Internal Revenue Code, and every person who is engaged in receiving wagers for or on behalf of any person so liable, is subject to a special tax of \$50 per year imposed by section 4411 of the Code, and must file Form 11-C.

Section 4421 of the Code defines the term "wager" to mean (1) any wager with respect to a sports event or a contest placed with a person engaged in the business of accepting such wagers, (2) any wager placed in a wagering pool with respect to a sports event or a contest, if such pool is conducted for profit, and (3) any wager placed in a lottery conducted for profit.

The term "lottery" includes the numbers game, policy, and similar types of wagering. The term does not include (A) any game of a type in which usually (1) the wagers are placed, (2) the winners are determined, and (3) the distribution of prizes or other property is made, in the presence of all persons placing wagers in such game, and (B) any drawing conducted by an organization exempt from tax under sections 501 and 521 of the Code, if no part of the net proceeds derived from such drawing inures to the benefit of any private shareholder or individual.

**2. When To File.**—(a) **First and Renewal Returns and Applications for Registry.**—Form 11-C serves two purposes: (A) A special tax return and (B) an application for registry. The first return and application for registry must be filed prior to engaging in the activity which results in liability for the special tax on wagering. Renewal returns and applications are required to be filed on or before July 1 of each year thereafter during which taxable activity continues. Changes in ownership which require a return and application for registry, and which result in special tax liability, include the following:

- (1) Admission of new members to a firm or partnership.
- (2) Formation of a corporation to continue the business of a partnership.
- (3) Continuance of the corporate business by a stockholder after the corporation is dissolved.

(b) **Supplemental Applications for Registry.**—Change of place of business or residence address must be registered with the District Director of Internal Revenue by filing a Form 11-C and checking the block designated "Supplemental Return and Application," stating the new address and the date of change before (i) he engages in any wagering activity at the new address, or (ii) the termination of a 30-day period which begins on the day after the date of such change whichever occurs first. Any other change must also be registered within 30 days after such change; examples of such other changes include the following: (1) Continuance of the operation of a business of a deceased person, who has paid the special tax, by the surviving spouse or child, or executor or administrator, or other legal representative, (2) Continuance of a business by a receiver or trustee in bankruptcy, (3) Continuance of a business by a assignee for the benefit of creditors, (4) Withdrawal from a firm or partnership of one or more members, and (5) Mere change

of corporate name. Failure to comply with these requirements will result in additional tax and penalty. The taxpayer's special tax stamp shall accompany such supplemental application for proper notation by the District Director.

An individual accepting wagers on his own account shall register, by filing a Form 11-C designated "Supplemental Return" not later than 10 days after engaging a new agent or employee to receive wagers, the name, address, and number appearing on the special tax stamp of each such agent or employee. Likewise, an agent or employee receiving wagers on behalf of another shall register the name and address of each additional person by whom he is engaged to receive wagers within 10 days after he is so engaged.

**3. Where To File.**—The return must be filed with the District Director of Internal Revenue for the district in which is located the taxpayer's office or principal place of business or, if he has no office or principal place of business in the United States, with the District Director for the district in which he resides. If the taxpayer has no office, residence, or principal place of business in the United States, the return must be filed with the District Director of Internal Revenue, Baltimore, Maryland, 21203.

**4. Computation of the Special Tax on Wagering.**—Special tax liability is computed from the first of July of each year, or the first day of the month during which business is commenced, to the thirtieth day of June following. Where business is begun after the month of July, the tax to be remitted is computed by multiplying the monthly rate of \$4.16 $\frac{2}{3}$  by the number of months remaining in the fiscal year. If the resulting amount involves a fraction, the full cent must be included. Example: If a person first commences business in November, liability should be computed as follows: \$4.16 $\frac{2}{3}$  × 8 (the number of months remaining in the fiscal year) equals \$33.33 $\frac{1}{3}$ , or \$33.34, the amount to be remitted.

**5. Penalties.**—If the return is not filed with the District Director prior to engagement in the activity which results in liability for the occupational tax on wagering, the penalty prescribed by sections 6651 and 6653 of the Internal Revenue Code may be incurred. In addition, under the provisions of section 7262 of the Code any person who does any act which makes him liable for the special tax, without having paid such tax, shall be fined not less than \$1,000 and not more than \$5,000. Section 7273 (b) provides that any person who fails to post or exhibit special wagering tax stamps in accordance with section 6806 (c) shall be liable to a penalty of \$50 if failure to comply is due to negligence or \$100 if due to willful neglect or refusal. For willful failure to file a return or pay the tax, the penalties under sections 7201 and 7203 may be imposed. Under the general provisions of section 1001 of Title 18 of the United States Code, whoever knowingly makes any false or fictitious statement with respect to the payment of the special tax, such as the giving of a false name or address, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.